ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC. 20554

In the Matter of	)	
	)	
Application for Consent	)	
to the Transfer of Control of Licenses and	)	CC Docket No. 98-141
Section 214 Authorizations	)	
	)	
Ameritech Corporation,	)	
Transferor	)	
	)	
SBC Communications, Inc.,	)	
Transferee	)	

COMMENTS OF CORECOMM LTD. UPON PROPOSED CONDITIONS FOR FCC ORDER APPROVING SBC/AMERITECH MERGER

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SUMMARY OF COMMENTS OF CORECOMM LTD. UPON PROPOSED CONDITIONS FOR FCC ORDER APPROVING SBC/AMERITECH MERGER

In these comments, CoreComm argues that the Proposed Conditions For FCC Order Approving SBC/Ameritech Merger submitted by SBC and Ameritech are insufficient to protect competition and offset the anticompetitive effects of the proposed merger. The Joint Applicants' Proposal is tilted in their favor and filled with loopholes that will undermine efforts to apply the conditions after the merger closes. The Commission should revise the Joint Applicants' Proposal to a considerable degree, as detailed below, or reject it.

The collocation provisions of the Joint Applicants' Proposal will not ensure that they will comply with the Commission's collocation rules. The Commission should require that the Joint Applicants submit for approval a model collocation tariff (for all service territories) before the merger closes. The Commission should use that process to satisfy itself that the Joint Applicants comply with Commission rules, at least on paper. The Commission should employ an independent auditor to monitor the Joint Applicants actual behavior in this regard and to provide periodic reports.

The Joint Applicants commitments to deploy uniform electronic operations support systems ("OSS") interfaces will not do much to protect competition in the near term, since the deployment schedules extend up to three years into the future and could be delayed further depending upon the outcome of massive "single workshops" between CLECs and the Joint Applicants. The Commission should require the Joint Applicants to take numerous steps to improve their OSS functions on a regional basis before the merger closes, including: providing

CLECs with OSS documentation; publishing business and validation rules; formalizing OSS change management processes; and maintaining a single point of contact that would assist CLECs in resolving technical OSS questions.

The proposed performance standards and remedies are insufficient. The Commission should expand the scope of the performance standards (to include more of those adopted in Texas) and it should strengthen the liquidated damages available to CLECs. It should base the level of such damages upon the revenues that the Joint Applicants collect during a violation period and escalate these penalties as violations continue.

The Commission should require the Joint Applicants to submit to OSS testing by an independent auditor, as several states, including New York, California, Pennsylvania, and Massachusetts, have required of Bell Atlantic and SBC. Such auditing tends to reveal the kinds of flaws in OSS interfaces that plague the operations of competitors.

The Commission should insist that the Joint Applicants toll the time limit for providing OSS training to small CLECs until uniform OSS interfaces are available. The overall time limit also should be increased to three years, with each CLEC being entitled to one year's worth of training.

The provisions of the Joint Applicants' Proposal dealing with the deployment of Advanced Services does not protect CLECs adequately. The Joint Applicants propose to delay giving CLECs access to loop pre-qualification and qualification information on an electronic basis and do not offer to provide the kind of comprehensive loop information that xDSL providers require. The Commission should reject such minimal commitments and require the Joint Applicants to offer comprehensive loop information on an electronic basis.

The Joint Applicants' proposed structural separation for the provision Advanced Services is rife with loopholes and exceptions. The Commission should apply 47 U.S.C. § 272 to the Joint Applicants without exceptions that would allow the Applicants to engage in joint marketing with affiliates, lend their names and trademarks to affiliates, or offer affiliates line sharing on an exclusive basis.

The Commission should require the Joint Applicants to make binding commitments that they will provide the unbundled network elements described in 47 C.F.R. § 271 without regard to the outcome of the Commission's remand proceeding.

The Commission should strike the restrictions from the carrier to carrier promotions of the Joint Applicants' Proposal. The promotions should be available for CLECs serving small business customers. The Joint Applicants should not cap the number of loops and resold lines available at the promotional rates. If the Commission permits the Joint Applicants to institute such caps, it should not allow them to count loops that are no longer in service toward the relevant cap. In addition, the Commission should determine what the promotionally discounted loop rates will be prior to the Merger Closing Date.

The Joint Applicants' Proposal provides Most Favored Nations provisions that labor under significant restrictions. For instance, CLECs may only adopt arbitrated provisions from out-of-region agreements and then only if the relevant provision had not been provided to another CLEC previously. The Commission should eliminate these restrictions so that CLECs may adopt the provisions of any interconnection agreement to which the Joint Applicants are parties.

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COMMENTS OF CORECOMM LTD. UPON PROPOSED CONDITIONS FOR FCC ORDER APPROVING SBC/AMERITECH MERGER

CoreComm Ltd. ("CoreComm"), through the undersigned counsel, hereby submits its comments upon the Proposed Conditions For FCC Order Approving SBC/Ameritech Merger (dated July 1, 1999) ("the Joint Applicants' Proposal" or "JA Proposal") submitted by SBC Communications, Inc. and Ameritech Corporation (hereinafter "the Joint Applicants").

INTRODUCTION

CoreComm, through its direct wholly-owned subsidiaries, is a competitive local exchange carrier, serving residential and business customers in all five Ameritech states as well as in New York, Massachusetts, and other states in the Bell Atlantic region.[1] CoreComm has

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[1] *See* Comments of CoreComm Newco, Inc. In Opposition to Application for Transfer of Control (dated October 15, 1998); Reply Comments of CoreComm Newco, Inc. in Opposition to Application For Transfer of Control (dated November 16, 1998); Letter to Eric J. Branfman to Robert Atkinson regarding Ex Parte of CoreComm (dated May 4, 1999) ("CoreComm Ex Parte"); *In the Matter of the Joint Application of SBC Communications Inc., SBC Delaware Inc., Ameritech Corporation, and Ameritech Ohio for Consent and Approval of a*

been an active participant in proceedings evaluating the proposed merger of SBC and Ameritech at both the Commission and the Ohio PUC. CoreComm is concerned that approval of the merger as proposed in the Application would result in significant anti-competitive consequences for the development of competition in the residential and small business marketplace. As CoreComm has repeatedly indicated, it is not unequivocally opposed to the merger as are other parties to the proceeding. Rather, CoreComm believes that many of the anti-competitive effects of the merger could be effectively offset by placing upon the Joint Applicants "stringent, market opening conditions designed to facilitate the pro-competitive goals of the 1996 Act, coupled with strict and effective enforcement mechanisms." CoreComm Ex Parte, at 2.

CoreComm commends the Staff for its hard work in evaluating the Joint Applicants' Application carefully and attempting to negotiate conditions under which the Joint Applicants will address many of the concerns raised in the proceeding. Indeed, CoreComm was encouraged by the conditions set forth in principle in the Staff's Summary of SBC/Ameritech Proposed Conditions (dated June 29, 1999) ("Staff Summary"). However, the actual text of the Joint Applicants' Proposal is replete with a number of significant deficiencies. The provisions of the Proposal are vague and riddled with loopholes.[2/] They generally lack teeth and provide only an illusory remedy. Several of the provisions simply reiterate the Joint Applicants' existing obligations under the law (*e.g.*, compliance with collocation rules); other provisions attempt to

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Change of Control, Stipulation and Recommendation, Case No. 98-1082-TP-AMT (Oh. P.U.C. February 23, 1999) ("Ohio Stipulation").

[2/] As described more fully in Section XII, below, Appendix A provides an analysis of the text of the Joint Applicants' Proposal and identifies possible loopholes.

water down those obligations. The majority of the provisions in the Proposal require only after-the-fact, promissory compliance after the Merger Closing Date. In summary, the Joint Applicants' Proposal provides only insufficient relief to offset the anticompetitive effects of the merger. If the Commission were to adopt the Proposal as it currently stands, the competitive harms cited by the parties as arising from the merger will not be ameliorated and may in fact be exacerbated. The sections below highlight the deficiencies of the Joint Applicants' Proposal in detail.

ARGUMENT

I. THE COLLOCATION PROVISIONS OF THE JOINT APPLICANTS' PROPOSAL ARE NOTHING MORE THAN A RESTATEMENT OF THE LAW

The availability of collocation on a timely, commercially reasonable basis is a fundamental concern to new entrants. The Staff's statement suggests that the Joint Applicants' Proposal would provide stringent conditions to protect CLECs' collocation rights. But the actual terms of the Proposal fall short of this goal.

Before the Merger Closing Date, the Joint Applicants propose merely to provide the Commission with the attestation of an auditor stating that they comply with the collocation rules. This proposal lacks teeth because CLECs have no role in the process and it is not clear exactly what evidence the auditor will consider in making an attestation of compliance. CLECs need greater assurance of compliance before the Joint Applicants consummate a transaction that cannot be unscrambled. A much better approach would be to require the Joint Applicants to file a tariff with the Commission before the Merger Closing Date that actually implements the Commission's collocation rules. CLECs should be able to comment on the tariff, and the

Commission should issue a ruling, resolving the matter on paper. The Commission's goal should be to alleviate any ambiguity regarding collocation up front, so that new entrants do not wind up in protracted litigation regarding these issues after the merger closes. The Commission should bear in mind that SBC has demonstrated its willingness time and again to litigate requirements placed upon it to open its markets to local competition (*e.g.*, SBC's challenge to the Commission's TELRIC pricing rules before the Eighth Circuit Court of Appeals). Indeed, a federal court so found in the following passage:

> The undersigned must note, however, that it was somewhat troubled by SWBT's tactics in this case. SWBT's penchant for rehashing issues that had already been fully briefed, raising arguments and claims that did not appear in even the most generous reading of the Amended Complaint, and, most importantly, taking positions in this litigation that it had expressly disavowed in the PUC administrative hearing, were, to say the least, distressing. The voluminous briefing in this case — over seven hundred pages in total — could probably have been cut in half had SWBT not fought tooth and nail for every single obviously non-meritorious point.

Southwestern Bell Telephone Company v. AT&T Communications of the Southwest, Inc., 1997 WL 657717 (W.D. Tx. 1998) (adjudicating appeal from interconnection arbitrations conducted before the Texas PUC). In light of SBC's litigious tendencies, there must not be any open questions surrounding the Joint Applicants' collocation tariff when the merger closes.

Soon thereafter, the Commission should engage an independent auditor at the Joint Applicants' expense to evaluate whether the Joint Applicants apply the tariff faithfully. The auditor should provide semi-annual reports to which CLECs must be permitted to respond with comments, if necessary. If the Commission discovers that the Joint Applicants have violated any of its rules, they should pay monetary penalties to the afflicted CLECs.

In addition, the Commission should buttress the protection that the Joint Applicants' Proposal offers by requiring them to commit to specific collocation provisioning intervals for every one of their in-region states that does not already have firm intervals.[3/] The collocation process is currently riddled with uncertainty in those states that lack defined intervals and, in some cases, parties seeking to collocate endure considerable delays. New entrants need to be count upon reliable collocation provisioning intervals in order to be able to execute their business plans. The Joint Applicants' Proposal can bring stability to the collocation process by setting forth standard provisioning intervals and requiring them to pay liquidated damages to CLECs for missing intervals.

II. OSS DEPLOYMENT PROVISIONS OF THE JOINT APPLICANTS' PROPOSAL ARE DEFICIENT

A. The Proposed Deployment Schedule for OSS Is Protracted

CoreComm believes that deployment of uniform fully-electronic OSS interfaces across the Joint Applicants' service territories would be in the public interest. However, the deployment schedule is extraordinarily lengthy and it does not provide CLECs with any OSS improvements whatsoever for two or more years. The schedule gives the Joint Applicants in some cases a minimum of two-and-a-half years to delay the availability of uniform OSS interfaces and business rules and thereby stifle competition within their service areas.[4/] JA Proposal, ¶¶ 9, 10,

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[3/] *See* Ohio Stipulation, at 35-36.

[4/] In addition, paragraph 16.c of the Joint Applicants' Proposal gives them 14 months to develop enhancements to their existing OSS functions to accommodate xDSL services. The Proposal does not indicate whether any progress will be made before the end of this 14 month period.

14. In fact, it may be optimistic to believe that the Joint Applicants will deploy uniform interfaces in that time. Their Proposal states that:

> SBC/Ameritech shall work collaboratively with CLECs operating in the SBC/Ameritech States, in a single workshop, to obtain written agreement on OSS interfaces, enhancements, business requirements identified in the Plan of Record, and a change management process, including a 12 month forward-looking view of process changes and deployment schedule.[5/]

JA Proposal, ¶ 11.b. These are difficult issues and the Joint Applicants are unlikely to concur with CLECs on a common plan of action within the one month period that is allotted to this phase. *See id.* Since it appears from the Proposal that all parties must agree on these issues, the Commission can expect that this phase of OSS deployment will take much longer than a month, delaying the process in general and extending the time that CLECs are without the OSS improvements necessary to justify grant of the Application.

The Commission should shorten the phase 3 deployment schedule for uniform OSS interfaces from 24 and 18 months for Connecticut and the rest of the Joint Applicants' states, respectively, to 6 months across the board. *See id.*, at ¶ 11.c. The Commission should do likewise for the 24-month phase 3 deployment schedule for uniform business rules. *See id.*, at ¶ 14.c. In addition, the Commission should require each Joint Applicant to take steps immediately to do the following on a regional basis:

1. provide CLECs documentation on its OSS interfaces that is sufficiently detailed to allow an independent entity to create an integrated pre-ordering and ordering interface that is consistent with all relevant business rules;

2. publish all of its Business and Validation rules in a structured format and supply

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[5/] The Joint Applicants' Proposal requires a similar "single workshop" to develop uniform business rules. *See* JA Proposal, ¶ 14.b.

complete documentation on Validation Rules, including Validation Table Relational Diagrams, Procedural Flowcharts and a Tutorial with examples;

3. demonstrate that its Local Service Center representatives have access to all product information and are instructed to immediately notify and advise CLECs how to correct errors on orders;

4. formalize its OSS Change Management Procedures and submit the Change Management documents to CLECs for ratification;[6]

5. commit not to move, eliminate or downsize any existing Ameritech or SBC CLEC service center for at least one year after the merger closing and, thereafter, provide CLECs at least six months prior written notice of any intent to take such action;[7]

6. implement protocols that would allow CLECs to use Graphical User Interfaces on request for various OSS functions; and

7. maintain a single point of contact to assist CLECs in resolving technical OSS questions.

While these steps are no substitute for uniform OSS interfaces, business rules, change management processes across the Joint Applicants' combined service territories, etc. throughout the Joint Applicants' different regions, they nonetheless will help to mitigate the considerable delays that are likely to result from the Joint Applicants' Proposal. The Commission should adopt CoreComm's proposed merger conditions until the Joint Applicants have uniform systems and rules on these issues in place.

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[6] In the event of a dispute between one of the Joint Applicants and CLECs on any of the procedures, the Joint Applicant must commit to submitting the dispute to the Commission for resolution.

[7] Any such move should be subject to prior approval of the state commission(s) having jurisdiction over the affected CLECs, after public notice and comment.

B. The Proposed Performance Standards Are Incomplete

The proposed performance standards are substantially less than what the Joint Applicants agreed to implement in Ohio and SBC has been required to employ in Texas. The Joint Applicants propose utilizing only 20 measures out of the 79 agreed to in Ohio and the 121 adopted in Texas.[8] The twenty performance measures that the Joint Applicants' propose to use are simply inadequate to ensure that they do not discriminate against competitors. Indeed, the twenty measures do not include the following measures that SBC agreed to in Texas:

8. pre-ordering measures such as Percent Response Received within "X" Seconds, Average Time to Return FOC, and Percent Rejects;

9. maintenance measures such as Receipt to Clear Duration, Percent Out of Service < 24 hours, and Failure Frequency;

10. interconnection measures such as Average Interconnection Trunk Installation Interval, Percent Missed Due Dates, Average Delay Days for Missed Due Dates, and Percent SBC Caused Missed Due Dates Greater than 30 Days;

11. number portability measures such as Percent of FOCs Received within "X" Hours, Average Delay Days for SBC Missed Due Dates, Average Time Out of Service for LNP Conversions, and Percent Out of Service < 60 Minutes; and

12. collocation measures such as Average Delay Days for SBC Missed Due Dates and Percent Requests Processed Within Tariffed Timelines.

The Commission should not approve weakened performance measures for the Joint Applicants. Rather, the Commission should require the Joint Applicants to use all of the 79 Texas performance measures that Ameritech agreed to use in Ohio. Since the Joint Applicants adopted those measures voluntarily in Ohio, it cannot argue that they are incompatible with Ameritech's

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[8] *See* Ohio Stipulation, at 49; Texas PUC Project No. 16251, http://www.puc.state.tx.us/pubinfo/271Rpts/index.htm (listing performance measures for SBC in Texas).

systems. Similarly, the Texas measures ought to be compatible with any of SBC's systems. In sum, the Commission should require the Joint Applicants to adopt the performance measurements that they already agreed to Ohio as a condition precedent to any grant of the merger.

C. The Liquidated Damages Are Inadequate

The liquidated damages for violating the performance measures are weak. The Joint Applicants could pay the damages as a "cost of doing business" without having any incentive to correct their behavior. CoreComm is concerned that the current level of liquidated damages in the Joint Applicants' Proposal will not deter them from ignoring the performance measures. Moreover, there does not appear to be a clear mechanism for triggering the Joint Applicants' obligation to pay. The Commission should tie the level of liquidated damages to the revenues that the Joint Applicants' earned during the violation period as well as require that the damages escalate substantially for each month of continuing violations. Furthermore, the Commission should appoint an administrator to determine when the Joint Applicants have violated the performance measures and to recover payment from them when necessary. CoreComm recommends that the Commission designate the Chief of the Common Carrier Bureau to perform this administrative function.

D. The Commission Should Require the Joint Applicants to Have Their OSS Functions Tested by an Independent Third Party as a Condition Precedent to Grant of the Merger

Although the Joint Applicants' commitment to deploy uniform application-to-application OSS interfaces are a step in the right direction, there needs to be an independent audit of those functions as soon as they are in place. Only an audit which simulates actual ordering situations in a commercial environment will reveal operational problems and enable the parties to correct them. In New York, for example, the PSC engaged KPMG Peat Marwick to audit the OSS interfaces of Bell Atlantic-New York.[9/] That audit began in the Summer of last year and is only now drawing to a close. In the course of that time, the audit revealed many problems with Bell Atlantic's OSS interfaces, which are being corrected or addressed before the PSC in technical conferences. California, Pennsylvania, and Massachusetts are in the process of requiring similar audits, demonstrating that regulators recognize the tremendous value of an independent OSS audit. Applying the same procedures to the Joint Applicants' operations would ensure that the OSS commitments in their Proposal are not just paper promises, but rather yield positive benefits for CLECs.

III. THE JOINT APPLICANTS SHOULD EXPAND THEIR OFFER TO PROVIDE OSS ASSISTANCE TO SMALL CLECS

The Joint Applicants propose to provide training to small CLECs (*i.e.*, those with less than $300 million in annual revenues) in the use of the OSS interfaces for a "minimum" period of one year. JA Proposal, ¶ 19. The duration of this commitment is too limited to cancel out the

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[9/] *Order Approving Selection of KPMG Peat Marwick to Perform an Evaluation of Bell Atlantic-New York's Operational Support Systems (OSS)*, Case 97-C-0271 (N.Y.P.S.C. April 21, 1998)

anticompetitive effects of the merger. The Commission should require the Joint Applicants to provide OSS training to small CLECs for a period of three years following the date on which uniform OSS interfaces are in place pursuant to the merger condition (although the training on existing systems should be available to CLECs immediately, as the Joint Applicants propose). Every small CLEC should be entitled to at least one year of training, but the clock should be tolled until the Joint Applicants have deployed uniform OSS interfaces.

IV. THE PROVISIONS OF THE JOINT APPLICANTS' PROPOSAL REGARDING ADVANCED SERVICES DEPLOYMENT ARE INSUFFICIENT

A. Loop Prequalification and Qualification Information

It is paramount that the merger conditions ensure that the Joint Applicants provide competitors the same access to loop information needed for xDSL services that they provide to themselves. In the absence of nondiscriminatory treatment in this regard, CLECs will be unable to compete and eventually will exit the market as the Joint Applicants begin rolling out xDSL services. Indeed, even lack of access on a temporary basis would impede CLECs, because speed to market is critical in the fast-moving Advanced Services business. CoreComm is concerned that in the absence of nondiscriminatory treatment, the Joint Applicants will have the opportunity to "lock in" desirable customers through long term contracts and other arrangements that will stifle competition in its infancy. Therefore, the Commission should adopt merger conditions that absolutely will ensure equal access to loop information.

In their Proposal, the Joint Applicants state that they will make loop "pre-qualification information" relating to loop length available on an electronic basis by the Merger Closing Date, except for Ameritech states and Connecticut and Nevada, which will follow 22 months later. JA

Proposal, ¶ 21. Twelve months after the Merger Closing Date, the Joint Applicants will provide loop pre-qualification information electronically by customer zip code. *Id.*, at ¶ 22. The Joint Applicants will provide loop pre-qualification information and "qualification" information (*i.e.*, whether the loop contains load coils, bridged taps, or repeaters) immediately through "non-electronic means." *Id.*, at ¶ 23.

The Commission should reject the Joint Applicants' Proposal to delay electronic availability of loop pre-qualification information by 22 months for the Ameritech states and loop qualification information perhaps indefinitely. Indeed, under the terms of the Joint Applicants' Proposal, they need not ever make loop qualification information available electronically. Such delays and loopholes will enable the Joint Applicants' xDSL offerings to become well-established in the market before competitors can commence operations. With this speed to market advantage, the Joint Applicants will eliminate competition early on. The Commission should not tolerate this situation. The Commission should require the Joint Applicants to provide CLECs electronic access to *all* loop information necessary for xDSL by the Merger Closing Date,[10/] even if their Advanced Services affiliates will not need either the information or electronic access. Comprehensive loop pre-qualification and qualification information is necessary to ensure that competitors can offer their own xDSL services, regardless of whether the Joint Applicants offer similar services.

[10/] This information should consist of (1) exact loop length; (2) existence and location of bridged tap; (3) existence of load coils; and (4) existence of repeaters. This more specific information will enable CLECs to craft xDSL services around the limitations of existing loops so as to serve customers better.

B. Resale of the Joint Applicants' xDSL Services

The Joint Applicants' Proposal should include a requirement that they make xDSL services, whether or not offered by a separate affiliate, available for resale pursuant to 47 U.S.C. § 251(c)(4). The FCC has ruled that xDSL services are "telecommunications services" that are subject to the resale obligations of an incumbent LEC:

> Given our determination above that advanced services offered by incumbent LECs are telecommunications services, by the plain terms of the Act, incumbent LECs have the obligation to offer for resale, pursuant to section 251(c)(4), all advanced services that they generally provide to subscribers who are not telecommunications carriers.

Deployment of Wireline Services Offering Advanced Telecommunications Capability, etc., CC Docket No. 98-147, *et al.*, ¶ 60 (rel. August 7, 1998). It is extremely important that the Commission enforce this requirement as a condition precedent upon the proposed merger. In the absence of a resale requirement, CLECs will be severely handicapped in competing with the Joint Applicants in most areas while simultaneously attempting to deploy facilities. In other areas, it may not be economically prudent or technically feasible for CLECs to offer their own xDSL services and a resale requirement would be the only means to bring competition to consumers in these areas. Therefore, the conditions that the Commission adopts for the proposed merger should include a requirement that the Joint Applicants make their xDSL services, regardless of whether marketed through a separate affiliate, available for resale under 47 U.S.C. § 251(c)(4) in order to promote competition for Advanced Services.

V. THE PROPOSED STRUCTURAL SEPARATION FOR THE JOINT APPLICANTS' PROVISION OF ADVANCED SERVICES IS INADEQUATE

While the Joint Applicants' agree to provide Advanced Services via separate affiliates, the degree of structural separation that they propose is insufficient. At most, the Joint Applicants state that Advanced Services affiliates will meet the requirements of 47 U.S.C. §§ 272 (b), (c), (e), and (g) and that affiliates will disclose the interconnection agreement that governs the relationship between themselves and the incumbent LEC subsidiaries of the Joint Applicants ("incumbent subsidiaries"). JA Proposal, ¶¶ 27, 27.b. However, it is not clear that the separate affiliate requirements of 47 U.S.C. § 272 — even if applied without the significant exceptions and loopholes proposed by the Joint Applicants — would be appropriate in the context of a merger when none of the Applicants has obtained authority under 47 U.S.C. § 271. Such separate affiliate requirements presuppose that the RBOC to which they will be applied has irreversibly opened its local exchange markets to competition. Neither of the Joint Applicants has made any such showing in this or any other case. Therefore, the separate affiliate requirements of 47 U.S.C. § 272 are not as stringent as they could be. Yet, to make matters worse, the Joint Applicants' Proposal provides a short three-year sunset period for the requirements and includes the following loopholes that will eviscerate the point of having separate affiliates in the first place by permitting them:

(1) to market services jointly with incumbent subsidiaries without being subjected to non-discrimination requirements;

(2) to share lines with incumbent subsidiaries on an exclusive basis;

(3) to transfer customers to and from incumbent subsidiaries;

(4) to use the customer care services of incumbent subsidiaries;

(5) to use the same name, trademarks, and service marks of incumbent subsidiaries on an exclusive basis; and

(6) to locate employees in the same buildings and on the same floors as the employees of incumbent subsidiaries.

Id., ¶¶ 27, 27.a, 27.d, 27.e, 34.a. With these loopholes, the separate affiliate requirements of the Joint Applicants' Proposal hardly provide adequate protection for competition that is mandated by law. At the same time, the Joint Applicants receive the benefits of having unregulated separate affiliates. *See id.*, at ¶ 28.

The Commission cannot allow the Joint Applicants to have it both ways. The Commission should strengthen the structural separation provisions of the Joint Applicants' Proposal and, indeed, those of 47 U.S.C. § 272. First, separate affiliates of the Joint Applicants must comply with 47 U.S.C. § 272(d). However, the biennial audit described therein should be an annual audit for purposes of the Joint Applicants' Proposal. Allowing the Joint Applicants to undergo audits only every two years would fail to identify violations of the separate affiliate requirements in a timely manner.

Second, the Commission should not permit the Joint Applicants to market services jointly with separate subsidiaries, which will already be formidable competitors of CLECs. The joint marketing provision of the Proposal alone would undermine many of the Joint Applicants' obligations as incumbent LECs under 47 U.S.C. §§ 251 and 252. If the separate affiliates are to be unregulated, there must be no connection (other one of ownership) between the affiliates and the Joint Applicants. Similarly, the Commission should not condone the kind of cooperation between the Joint Applicants and affiliates that is described in items 3, 4, 5, and 6, immediately

above. Structural separation hardly means that companies have the ability to transfer customers to each other; use each other's customer care services, names, trademarks, and service marks; or locate employees in the same buildings and on the same floors.[11] The Commission should prohibit the Joint Applicants and their affiliates from engaging in any such conduct.

Third, the Commission should not authorize the Joint Applicants to share lines with separate affiliates on an exclusive basis. That arrangement would violate the Joint Applicants' obligation to provide CLECs with "nondiscriminatory access to network elements" under 47 U.S.C. § 251(c)(3). Until the Joint Applicants are ready to provide line sharing to any requesting CLEC, they should not provide it to their affiliates, who otherwise would gain the advantage of being the first carrier in the market to offer consumers voice and data services over the same line. Moreover, the Joint Applicants will have an incentive to resolve the technical feasibility issues involved in making line sharing available to competitors, if doing so is a precondition to making line sharing available to themselves.

The offering of a discounted Surrogate Line Sharing Charge does not ameliorate the Joint Applicants' current inability to provide line sharing to competitors. The fact is that the Joint Applicants will be able attract to customers away from CLECs by offering data and voice services over a single line, which will not require additional field dispatches or the inefficient consumption of copper loops. Indeed, some customer premises may not have enough copper loops to justify having the incumbent provide voice service on a different copper pair than the

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[11] It is clear that the provision allowing the Joint Applicants to locate the separate affiliate employees in the same buildings and on the same floors as the employees of incumbent subsidiaries is designed to maintain the status quo.

CLEC uses to provide the customer data services. For these customers, line sharing is the only viable method of obtaining voice and data service from two different carriers. The Commission should not allow the Joint Applicants or their affiliates to offer line sharing on an exclusive basis to such customers.

In short, the Commission needs to improve and strengthen the structural separation requirements for Advanced Services affiliates of the Joint Applicants' Proposal.

VI. THE COMMISSION SHOULD NOT PERMIT THE JOINT APPLICANTS TO REVERSE THEIR POSITION ON 47 C.F.R. § 51.319 AFTER THE COMMISSION RELEASES ITS ORDER IN THE REMAND PROCEEDING

Paragraph 43 of the Joint Applicants' Proposal allows them to back away from the commitment to provide unbundled network elements to CLECs following the outcome of the Commission's consideration of 47 C.F.R. § 51.319 on remand from the Supreme Court. While the Joint Applicants have committed to maintaining the status quo, paragraph 43 would permit them to reverse that position should they win a favorable ruling in the remand proceeding.

If the Joint Applicants want to make a deal that would expedite their merger application and overcome the potential anticompetitive effects resulting therefrom, they should commit to make the unbundled network elements described in 47 C.F.R. § 51.319 available indefinitely and without regard to the outcome of the Commission's remand proceeding. The public interest requires no less. Therefore, the Commission should insist that paragraph 43 be re-written to reflect that commitment.

VII. THE CARRIER TO CARRIER PROMOTIONS OF THE JOINT APPLICANTS' PROPOSAL SHOULD BE STRENGTHENED

A. Various Restrictions Upon the Promotions Should Be Lifted

The Joint Applicants' Proposal places several debilitating restrictions upon the carrier to carrier promotions. As currently formulated, the promotions: (1) apply only to residential service; (2) cap the number of discounted loops and resold lines that CLECs may purchase; and (3) count a loop toward the relevant cap even if it is no longer in service. JA Proposal, ¶¶ 46.d, 46.g., 47.c, 48.d, 49. The Commission should strike all of these restrictions from the Joint Applicants' Proposal.

There is no reason to apply the promotions only to loops and resold lines serving residential customers. The anticompetitive effects of the merger, which the promotions are intended to offset, will be felt by both residential and small business customers alike. The merger conditions should encourage competitors to serve each of these customer segments.

There is no quantitative basis for the loop and resold line caps in the Joint Applicants' Proposal. *See* JA Proposal, ¶¶ 46.g, 49. The Joint Applicants determined those caps in an arbitrary manner and cannot point to any rationale for them.[12/] The caps should be eliminated.

If the Commission determines to retain the caps, it should not permit the Joint Applicants to count a loop that is not in service. *See* JA Proposal, ¶ 46.g. When a CLEC no longer serves a customer over a promotionally discounted loop, the Joint Applicants should reduce the number of such network elements counted toward the cap accordingly. Otherwise, the prospect that the

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[12/] In fact, in Ohio, the negotiated cap for loops is much higher than the Ohio cap in the Joint Applicants' Proposal. Ohio Stipulation, at 29.

Joint Applicants' carrier to carrier promotions would adequately offset the anticompetitive effects of the merger would depend upon essentially random churn patterns. Given that churn has been significant in the interLATA market, it is reasonable for the Commission to conclude that a similar phenomenon would occur in the local exchange market and cause CLECs to reach the caps prematurely under the Joint Applicants' Proposal. The Commission should deem the caps satisfied (if it decides not to eliminate them) only with active loops. Otherwise, the Joint Applicants will have an incentive to engage in anticompetitive win-back campaigns, which would weaken competitors both by taking away customers and causing them to reach the caps sooner. If the Commission does not strike the caps from the Joint Applicants' Proposal, it should take steps to outlaw anticompetitive win-back campaigns.

In summary, the Commission should reject the Joint Applicants' attempt to restrict the carrier to carrier promotions.

B. The Commission Should Approve the Discounted Loop Rates Prior to the Merger Closing Date

The Joint Applicants' Proposal provides that they will offer CLECs loops to serve residential customers at rates that are, "on average, 25 percent below the lowest applicable monthly recurring price established for the same loop by the relevant state commission pursuant to 47 U.S.C. § 252 as of July 1, 1999."[13/] JA Proposal, ¶ 46.d. While the promotional loop rates "shall be determined across all geographic areas," "[t]he specific promotional price, if any, to be offered in a particular geographic area shall be determined by SBC/Ameritech at its sole

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13/ The Commission should note that rates for unbundled network elements are not set in many states.

discretion, consistent with the provisions of this sub-paragraph." *Id.*

There are too many loopholes in paragraph 46.d of the Joint Applicants' Proposal for CLECs to be confident that the promotional loop rates will be set in a fair manner. The Joint Applicants' right to use an "average" discount and to allocate rates to different geographic areas based upon its "sole discretion" raises the specter of gerrymandering. The Commission should require the Joint Applicants to submit proposed promotional loop rates for every geographic area within their regions for Commission approval prior to the Merger Closing Date.

C. In Addition to the Platform of Unbundled Network Elements, the Joint Applicants Should Offer an Extended Loop Without Service Restrictions

The Joint Applicants' offer to provide the platform of unbundled network elements on a promotional basis is inadequate. As ALTS argues, the Joint Applicants also should offer combinations of loops and interoffice transport, which are known as "extended loops." These combinations enable CLECs to serve all customers in a given geographic area without collocating in every central office. CLECs simply purchase the incumbent's dedicated transport from their switch or collocation arrangement to the distant central office in which they also purchase the customer's loop. The incumbent establishes a cross-connection between the loop and the transport, giving the CLEC connectivity to the customer without having to collocate in the distant central office.

Extended loops are economically efficient and desirable. They encourage facilities-based competition by making it cost-effective for CLECs to use their own switch to serve a wide geographic area. Moreover, as long as there are no service restrictions, CLECs can provide innovative services over an extended loop precisely because they use their own switch.

Therefore, customers receive greater service options at lower prices. It is highly probative that SBC agreed as part of the Section 271 process in Texas to provide the extended loop to competitors without service restrictions.[14]

Since the purpose of the carrier to carrier promotions is to offset the anticompetitive effects of the merger, it is appropriate for the Joint Applicants to provide the extended loop, which necessarily encourages competition, in addition to promotional loops, resold services, and network element platforms.

D. The Joint Applicants Should Offer to Amortize the Nonrecurring Charges of Unbundled Network Elements and Interconnection for CLECs

In addition to their other commitments regarding unbundled network elements and interconnection in the their Proposal, the Joint Applicants should offer to amortize nonrecurring charges according to the four payment schemes that the Commission required Bell Atlantic to adopt when it merged with NYNEX.[15] Nonrecurring charges can act as a barrier to entry, as the Commission has found,[16] which the Joint Applicants should minimize by agreeing to amortize them.

VIII. THE "MOST FAVORED NATIONS" PROVISIONS OF THE JOINT APPLICANTS' PROPOSAL ARE TOO LIMITED

The Joint Applicants propose "Most Favored Nations" ("MFN") provisions that would

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[14] *See* Texas PUC Project No. 16251, http://www.puc.state.tx.us/pubinfo/271Rpts/index.htm (describing SBC's Expanded Extended Loop offering in Texas).

[15] *Applications of NYNEX Corporation, Transferor, and Bell Atlantic Corporation, Transferee, for Consent to Transfer Control of NYNEX Corporation and Its Subsidiaries*, Memorandum Opinion and Order, 12 F.C.C.R. 19985, FCC 97-286, ¶¶ 185-89 (rel. August 14, 1997) ("Bell Atlantic Merger Order").

[16] Bell Atlantic Merger Order, ¶ 129 & n. 247 ("such charges do pose a barrier to entry in even the strictest sense of the term").

allow CLECs to adopt provisions of interconnection agreements from any in-region state, as long as such provisions were agreed to voluntarily, or from any out-of-region state, as long as such provisions were arbitrated and never before provided to another carrier in that market. *See* JA Proposal, ¶¶ 51-52. CoreComm agrees with ALTS's comments opposing these restrictions and, though it will not repeat those arguments here, it wishes to make four points. First, the Joint Applicants' proposed MFN provisions would enable them to limit the availability of certain interconnection arrangements either by failing to bring an arbitration in out-of-region states or by deliberately arbitrating such issues in in-region states. Second, there is no justification whatsoever for making the Joint Applicants' interconnection arrangements from out-of-region states unavailable to CLECs if those arrangements were provided to another carrier previously in the out-of-region market. Third, there is no justification for exempting from the MFN provisions interconnection agreements that were negotiated/arbitrated by Ameritech, Pacific Bell, or SNET before they were acquired by SBC. Such a restriction would cripple the proposed MFN provisions because the majority of interconnection agreements in existence between the Merger Closing Date and the sunset of the MFN provisions would be those that were executed before the merger. Fourth, CLECs should be able to adopt any interconnection, service or network element from a agreement to which the Joint Applicants are parties without taking "all reasonably related terms and conditions as determined in part by the nature of the corresponding compromises between the parties to the underlying interconnection agreement." *See* JA Proposal, ¶ 52. This requirement is vague and will be difficult to enforce. The Commission should allow CLECs to adopt an interconnection, service or network element by taking all of the *inextricably* related terms and conditions. Such a requirement would ensure that CLECs' MFN requests are not

burdened with tangentially related terms and conditions.

In sum, the Commission should not agree to restrictions that would eviscerate the purported benefit of the merger conditions. The MFN provisions of the Joint Applicants' Proposal should make the terms of any interconnection agreement to which either of them is a party available for adoption by CLECs.

IX. THE JOINT APPLICANTS' PROMISE TO ENTER OUT-OF-REGION LOCAL EXCHANGE MARKETS RINGS HOLLOW

The Joint Applicants' Proposal obligates them to provide local exchange service in 30 out-of-region markets within certain timeframes or face monetary penalties up to $1.2 billion. JA Proposal, ¶ 61, 61.d. There are in fact very few teeth in the Joint Applicants' Proposal to enforce these requirements in a meaningful manner that would result in increased facilities-based competition around the country. For instance, the Joint Applicants could simply acquire CLECs in each of these 30 markets, which would do nothing to increase competition there. Indeed, such acquisitions likely would decrease the degree of competition present in those markets because the Joint Applicants may fear retaliation from the targeted incumbent LECs and therefore may be less aggressive competitors than the acquired CLECs. Or, and perhaps more likely, the Joint Applicants could provide service in each of the markets simply by using packages of network elements drawn from existing carriers. Even if the Joint Applicants were to enter out-of-region local exchange markets faithfully, it is unclear whether they would have to stay in those markets for more than a day. The Joint Applicants' Proposal is silent on this point.

The purpose of the foregoing is to draw the Commission's attention to what a one-sided bargain the Joint Applicants' Proposal offers. The Joint Applicants receive merger approval and

competition in out-of-region markets is unaffected.

X. THE SUNSET PROVISIONS OF THE JOINT APPLICANTS' PROPOSAL ARE UNDULY AGGRESSIVE

The provisions of the Joint Applicants' Proposal generally sunset three years after the Merger Closing Date (except where specified differently). JA Proposal, ¶ 68. Three years is not sufficient time for conditions to cancel out the anticompetitive effects of the merger. Indeed, many of the OSS provisions do not take effect until 2 years after the Merger Closing Date. *See, e.g., id.*, at ¶ 9 (the Joint Applicants will not have deployed uniform application to application interfaces in all states (except Connecticut) until 24 months after the Merger Closing Date). As argued below, the general sunset period should be at least five years following the Merger Closing Date.

Sunset occurs in as little as two years or less for the loop and resale carrier to carrier promotions. The Joint Applicants' Proposal states that sunset occurs for these provisions at the later of: (a) 2 years; (b) the date when the Joint Applicants offer competitive local exchange service to at least one customer in 15 markets; or (c) the date when the Joint Applicants receive Section 271 authority (presumably on a state-by-state basis). JA Proposal, ¶¶ 46.a, 47.c. As noted in Section IX, above, the second contingency would be easily met through the use of combinations of network elements purchased from existing carriers or through the acquisition of existing CLECs in each of the fifteen markets. The Joint Applicants could meet that contingency within a few weeks after the Merger Closing Date. It is also possible that the sunset contingency requiring the Joint Applicants to obtain Section 271 approval may be met in some states well before two years elapse.

The Commission should strengthen the sunset provision for carrier to carrier promotions and apply it to all provisions of the Joint Applicants' Proposal. Sunset should occur at the later of: (a) 5 years; (b) the date when the Joint Applicants offer competitive local exchange service to at least 1% of the customers served by the incumbent LEC in 15 out-of-region markets; or (c) the date when the Joint Applicants receive Section 271 authority in each state. For purposes of interpreting the second contingency, the Joint Applicants must offer local exchange service by installing their own switches and fiber optic transport in each market and without acquiring existing CLECs or the assets of such CLECs. This sunset provision will allow the Joint Applicants' Proposal adequate time to negate the anticompetitive effects of the merger.

XI. THE COMMISSION SHOULD REJECT THE PROPOSAL THAT IT BE PROHIBITED FROM CONSIDERING THE EXPIRATION OF THE JOINT APPLICANTS' PROPOSAL IN THE CONTEXT OF RULING UPON A SECTION 271 APPLICATION OF THE JOINT APPLICANTS

Paragraph 70 of the Joint Applicants' Proposal states that the Commission may "not consider the possible expiration of any of the above Conditions per the terms of this Appendix to be a factor that would render the requested [Section 271] authorization inconsistent with the public interest, convenience or necessity." The Commission should not bind its hands with regard to Section 271 matters, as the Joint Applicants would have it do. When examining a Section 271 application and applying the public interest standard under the Act, the Commission should have the broadest latitude to consider all relevant facts that bear upon the application. The Commission should reject in its entirety paragraph 70 of the Joint Applicants' Proposal.

XII. THE JOINT APPLICANTS' PROPOSAL IS RIDDLED WITH LOOPHOLES

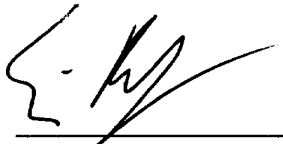
The Joint Applicants' Proposal contains numerous loopholes that will render the Proposal

ambiguous and subject to litigation after the Merger Closing Date — at a point when it will be too late to undo the merger. Appendix A (attached hereto) systematically identifies each loophole and recommends appropriate language to remedy it. CoreComm understands that the Commission did not have the opportunity to analyze the Joint Applicants' Proposal before it was made available for comment. Identifying and correcting the various loopholes that the Joint Applicants have built into the Proposal will go a long way toward creating effective merger conditions that will not require or cause post-merger litigation.

CONCLUSION

For the foregoing reasons, the Commission should reject the application of SBC and Ameritech to merge or adopt the modifications to the Joint Applicants' Proposal recommended herein.

Respectfully submitted,



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Dated: July 19, 1999

APPENDIX A

Para. #	Quote from Joint Applicants' Proposal	Explanation of Identified Loophole or Issue	Recommended Corrections (*in Italics*)
8	The entire paragraph.	This paragraph summarizes the purpose of Section III of the Joint Applicants' Proposal, which is to provide for enhancements to the Joint Applicants' OSS interfaces and to provide for new, additional interfaces. This paragraph also should state that the Joint Applicants will continue to support existing OSS interfaces that particular CLECs may be using to avoid disrupting their operations.	"*Unless the Joint Applicants have the consent of all affected CLECs, Joint Applicants will not discontinue offering an existing OSS interface that any CLEC currently uses. The words 'currently uses' shall mean that the CLEC performs at least one transaction per month.*"
8	The entire paragraph.	The paragraph also should state that nothing in the Joint Applicants' Proposal is meant to preempt state laws and regulations regarding the Joint Applicants' OSS obligations.	*"Nothing herein shall be construed to preempt state laws or regulations that concern the OSS obligations of SBC/Ameritech."*
11.a	"SBC/Ameritech shall complete a publicly available Plan of interfaces..."	The text should specify exactly how the Plan will be publicly available.	"SBC/Ameritech shall complete a publicly available Plan of interfaces *(to be filed with the Commission and posted on the web sites of the Joint Applicants)*..."
11.a, 11.c, 14.a, 14.c, 16.c.3	"SBC/Ameritech shall pay $100,000 per business day in voluntary payments to a public interest fund designated by the Commission for a failure to meet the target date."	If the Joint Applicants' behavior harms CLECs, they should not be able to give a charitable contribution as their penalty and then be able to reap all of the favorable publicity that comes therewith. If the Joint Applicants harm CLECs, they should pay monetary damages to those CLECs.	"SBC/Ameritech shall pay $100,000 per business day in voluntary payments to *the group of CLECs that is directly harmed by SBC/Ameritech's failure to meet the target date. If such CLECs cannot be identified, SBC/Ameritech shall make the voluntary payments to a public interest fund designated by the Commission.*"
11.b, 16.c.2	"Successful completion of phase 2 is dependent upon the full cooperation of the CLECs in consummating a written agreement with SBC/Ameritech on the work to be done."	It is unclear how "full cooperation" would be defined. It should be deleted.	"Successful completion of phase 2 is dependent upon *the execution of* a written agreement with SBC/Ameritech on the work to be done or the issuance of a directive by the Chief of the Common Carrier Bureau, as provided below."

11.b, 14.b, 15, 16.c.2	"No CLEC shall have the right to submit the remaining unresolved issues in dispute to consolidated binding arbitration, unless the Chief of the Common Carrier Bureau determines that arbitration is appropriate and in the public interest."	1. This provision could be interpreted to limit CLECs' right to arbitrate under the Act, an interconnection agreement or state law. The words "arising under these Merger Conditions" should be added to limit the scope of the provision. 2. The second clause in this sentence could be interpreted to require the Chief of the Common Carrier Bureau to issue a written finding as to the propriety of arbitration (which conceivably could be appealed, prolonging the process).	"No CLEC shall have the right to submit the remaining unresolved issues *arising under these Merger Conditions* to consolidated binding arbitration, unless the Chief of the Common Carrier Bureau determines *in his or her sole discretion and without need for a written finding* that arbitration is appropriate and in the public interest."
11.b, 11.c, 14.b, 14.c, 16.c.2, & 16.c.3	"Any such consolidated binding arbitration shall be conducted before an independent third party arbitrator in consultation with subject matter experts from a list of three firms supplied by CBS/Ameritech, which may include Telcordia Technologies, and in accordance with the Commercial Arbitration Rules of the American Arbitration Association."	1. The arbitration should be conducted by the FCC. 2. SBC/Ameritech should not have the exclusive right to supply the subject matter experts for the arbitration.	"Any such consolidated binding arbitration shall be conducted before *the Commission in consultation with any subject matter experts that the Commission chooses* and in accordance with the Commercial Arbitration Rules of the American Arbitration Association."
11.b	"No work shall begin in Phase 3 until (a) SBC/Ameritech is ordered by the Chief of the Common Carrier Bureau to implement the plan for development and deployment of uniform application-to-application and graphical user interfaces for OSS as submitted by SBC/Ameritech, or (b) SBC/Ameritech is ordered by the Chief of the Common Carrier Bureau to arbitrate the remaining unresolved issues in dispute and SBC/Ameritech receives the arbitrator's decision."	This provision would create substantial delay because implementation of OSS interfaces would require either the Chief of the Common Carrier Bureau to accept the Joint Applicants' position or the parties to complete an arbitration, even if there are only a few outstanding issues. The provision should require the Joint Applicants to proceed with implementation to the extent feasible while an arbitration is pending.	"Work shall begin in Phase 3 *to the extent feasible even if there are outstanding issues to be arbitrated."*
11.b, 11.c, 14.b, 14.c, 15, 16.c.2, & 16.c.3	"SBC/Ameritech shall pay 50 percent of the joint costs of the arbitration, and the CLECs that are parties to the disputed issues shall pay 50 percent of the joint costs of the arbitration."	The term "joint costs" is not defined. Nevertheless, if the Commission acts as arbitrator, this clause will be unnecessary. CoreComm recommends deleting it.	Deletion.

11.c. 14.c 16.c.2	"Thereafter, the Chief of the Common Carrier Bureau may issue an order authorizing SBC/Ameritech and the CLEC(s) to submit the dispute to consolidated binding arbitration, if the Chief of the Common Carrier Bureau determines that the arbitration of the dispute is appropriate and in the public interest."	This sentence would require the Chief of the Common Carrier Bureau to issue a written finding as to the propriety of arbitration (which conceivably could be appealed, prolonging the process).	"Thereafter, the Chief of the Common Carrier Bureau may *authorize* SBC/Ameritech and the CLEC(s) to submit the dispute to consolidated binding arbitration, if the Chief of the Common Carrier Bureau determines *in his or her sole discretion and without need for a written finding* that the arbitration of the dispute is appropriate and in the public interest."
12	"...provided, however, that a CLEC requesting such direct access enters into a written contract wherein SBC/Ameritech and the CLEC agree to (i) the precise nature of the SORD (or Ameritech or SNET equivalent service order processing system) functions that shall be provided by SBC/Ameritech, (ii)a timetable for deployment of direct access to such functions; and (iii) a timetable for delivery of training on how to use such functions."	The requirement here for a written contract between the parties introduces the possibility of delay, depending upon what bargaining position the Joint Applicants assume. SBC/Ameritech should submit a template agreement to the Commission for its approval prior to merger closing that would address these issues and obviate the need for CLECs to conduct negotiations regarding such agreements on an ad hoc basis. The sentences at the right should be added after the quoted passage from the Joint Applicants' Proposal.	*"Prior to merger closing, SBC/Ameritech shall submit to the Commission for approval a template agreement containing all of these terms and conditions. SBC/Ameritech shall offer this template agreement to all requesting CLECs."*
12	". . . Ameritech or SNET equivalent service order processing system. . ."	The Joint Applicants should define this service order processing system by name for both Ameritech and SNET.	
13	"...provided, however, that a CLEC requesting such enhancements enters into a written contract wherein (i) BC/Ameritech and the CLEC agree to the precise nature of the enhancement(s), and (ii) the CLEC agrees to pay SBC/Ameritech for the costs of development."	The requirement here for a written contract between the parties introduces the possibility of delay, depending upon what bargaining position the Joint Applicants assume. SBC/Ameritech should submit a template agreement to the Commission for its approval prior to merger closing that would address these issues and obviate the need for CLECs to conduct negotiations regarding such agreements on an ad hoc basis. The sentences at the right should be added after the quoted passage from the Joint Applicants' Proposal.	*"Prior to merger closing, SBC/Ameritech shall submit to the Commission for approval a template agreement containing all of these terms and conditions. SBC/Ameritech shall offer this template agreement to all requesting CLECs."*

14	"...SBC/Ameritech shall develop jointly with CLECs, and deploy throughout the SBC/Ameritech States, either (i) a software solution that shall ensure that CLEC submitted local service requests are consistent with SBC/Ameritech's business rules, or (ii) uniform business rules for completing CLEC local service requests, excluding those differences caused by state regulatory requirements and product definitions."	The Joint Applicants should commit to developing and deploying both a software solution to business rule differences as well as uniform business rules.	"...SBC/Ameritech shall develop jointly with CLECs, and deploy throughout the SBC/Ameritech States: (i) a software solution that shall ensure that CLEC submitted local service requests are consistent with SBC/Ameritech's business rules, *and* (ii) uniform business rules for completing CLEC local service requests, excluding those differences caused by state regulatory requirements and product definitions."
14.a	"SBC/Ameritech shall complete a publicly available Plan of Record . . ."	"Publicly available" should mean that the Joint Applicants post the Plan on their websites, along with any updates thereto.	"SBC/Ameritech shall complete a publicly available Plan of Record *posted upon the SBC/Ameritech web sites along with any applicable updates . . .*"
14.a	"...SBC/Ameritech's plan for developing and deploying a software solution or uniform business rules..."	The "or" should be charged to "and" to be consistent with the changes to Paragraph 14.	"...SBC/Ameritech's plan for developing and deploying a software solution *and* uniform business rules..."
14.b	"No work shall begin until SBC/Ameritech is ordered by the Chief of the Common Carrier Bureau to implement the plan for development and deployment of either a software solution or uniform business rules as submitted by SBC/Ameritech, or SBC/Ameritech is ordered by the Chief of the Common Carrier Bureau to arbitrate the remaining unresolved issues in dispute and SBC/Ameritech receives the arbitrator's decision."	1. This provision would create substantial delay because implementation of a software solution and uniform business rules would require either the Chief of the Common Carrier Bureau to accept the Joint Applicants' position or the parties to complete an arbitration, even if there are only a few outstanding issues. The provision should require the Joint Applicants to proceed with implementation to the extent feasible while an arbitration is pending. 2. This provision must reflect the Joint Applicants' obligation to provide both a software solution and uniform business rules.	"Work shall begin *upon a software solution and uniform business rules to the extent feasible even if there are outstanding issues to be arbitrated."*